

BALL JANIK LLP

A T T O R N E Y S

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September 3, 1999

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of the two documents described below, to be recorded pursuant to 49 U.S.C. § 11301.

The first document is a Memorandum of Agreement, a secondary document, dated as of April 30, 1999. The primary document to which this is connected is recorded under Recordation No. 19856. We request that one copy of this document be recorded under Recordation No. 19856-C.

The names and addresses of the parties to the Memorandum of Agreement are:

Lessor:

NationsBanc Leasing Corporation, formerly known as NationsBanc Leasing Corporation
of North Carolina
NationsBank Corporate Center
100 Tryon Street
Charlotte, NC 28202

Lessee:

GATX/NLC Rail Partners
Suite 2200
Four Embarcadero Center
San Francisco, CA 94111

A description of the equipment covered by the Memorandum of Agreement consists of deleting three covered hopper cars numbered GCCX 68114, 68121, and 68137; and adding three covered hopper cars numbered GCCX 68150, 68151, and 68152.

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The second document is Substitution Agreement No. 2, a secondary document, dated as of September 30, 1998. The primary document to which this is connected is recorded under Recordation No. 19856. We request that one copy of this document be recorded under Recordation No. 19856-D.

The names and addresses of the parties to Substitution Agreement No. 2 are:

Lessor:

NationsBanc Leasing Corporation, formerly known as NationsBanc Leasing Corporation
of North Carolina
NationsBank Corporate Center
100 Tryon Street
Charlotte, NC 28202

Lessee:

GATX/NLC Rail Partners
Suite 2200
Four Embarcadero Center
San Francisco, CA 94111

A description of the equipment covered by Substitution Agreement No. 2 consists of deleting four covered hopper cars numbered GCCX 68036, 68039, 68108, and 68115; and adding four covered hopper cars numbered GCCX 68153, 68154, 68155, and 68156.

A fee of \$ 52.00 is enclosed. Please return the originals to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: (1) a Memorandum of Agreement between NationsBanc Leasing Corporation, formerly known as NationsBanc Leasing Corporation of North Carolina, NationsBank Corporate Center, 100 Tryon Street, Charlotte, NC 28202, and GATX/NLC Rail Partners, Suite 2200,

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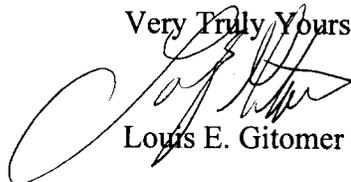
Honorable Vernon A. Williams

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Four Embarcadero Center, San Francisco, CA 94111 covering deleting three covered hopper cars numbered GCCX 68114, 68121, and 68137; and adding three covered hopper cars numbered GCCX 68150, 68151, and 68152; and (2) Schedule No. 2 between NationsBanc Leasing Corporation, formerly known as NationsBanc Leasing Corporation of North Carolina, NationsBank Corporate Center, 100 Tryon Street, Charlotte, NC 28202, and GATX/NLC Rail Partners, Suite 2200, Four Embarcadero Center, San Francisco, CA 94111 covering deleting four covered hopper cars numbered GCCX 68036, 68039, 68108, and 68115; and adding four covered hopper cars numbered GCCX 68153, 68154, 68155, and 68156.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name below.

Louis E. Gitomer

Enclosures

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**MEMORANDUM OF
AGREEMENT**

This Memorandum of Agreement (this "Memorandum") is made between NationsBanc Leasing Corporation of North Carolina ("NationsBanc") and GATX/NLC Rail Partners ("GATX/NLC") as of April 30, 1999. Capitalized terms used and not defined in this Memorandum have the meanings given such terms in that certain Lease Agreement dated as of December 29, 1995 (the "Lease") between NationsBanc, as lessor, and GATX/NLC, as lessee. The Lease covers 150 5,161 cu. ft. covered hopper cars, GCCX 68000-68149 (the "Units").

RECITALS

A. GATX/NLC is a general partnership formed by an affiliate of NationsBanc and GATX Third Aircraft Corporation ("GATX").

B. The Units are subleased to NIK Non-Stock Marketing Cooperative ("NIK") pursuant to a certain Master Lease Agreement dated as of August 31, 1995 (the "Sublease") between GATX/NLC, as successor in interest to GATX and sublessor, and NIK, as sublessee.

C. On or about December 7, 1996, the Units numbered GCCX 68114, 68121 and 68137 suffered a Casualty Occurrence. On March 24, 1997, NIK paid GATX/NLC the Replacement Value, as defined in the Sublease, for the casualty Units.

D. Pursuant to that certain Agreement, dated as of June 25, 1997, between NationsBanc and GATX/NLC (the "Agreement"), GATX/NLC tendered and NationsBanc accepted, in lieu of the Casualty Value payment required under Section 4.2(a) of the Lease, delivery of three new 5,161 cu. ft. covered hopper cars manufactured by Trinity Industries of Greenville, Pennsylvania ("Trinity"). NationsBanc accepted the new cars, subject to the terms and conditions of the Agreement.

Wherein and pursuant to the Agreement, the parties hereto have agreed as follows:

1. That GATX/NLC will (a) purchase from Trinity three new 5,161 cu. ft. covered hopper cars (the "Substitute Units"), (b) undertake, at its expense, to number the Substitute Units GCCX 68150, 68151 and 68152, (c) deliver the Substitute Units to NIK, and (d) deliver to NationsBanc a Bill of Sale executed by GATX/NLC with respect to the Substitute Units.

2. That NationsBanc will accept a Bill of Sale in full satisfaction of all of the obligations of GATX/NLC to NationsBanc under Section 4.2 of the Lease, and will include the Substitute Units in the Lease as if such Units had been placed under the Lease pursuant to Section 4.2(b) thereof; provided, however, that GATX/NLC will continue to

pay rent with respect to the casualty Units until the Bill of Sale is delivered to NationsBanc.

3. That upon delivery of the Bill of Sale to NationsBanc, the Substitute Units will be included in the Lease as if such Units had been placed under the Lease pursuant to Section 4.2(b), and that rent for the Substitute Units will begin to accrue at the same rate as rent for the casualty Units as of the date of delivery of the Bill of Sale to NationsBanc.

4. That the provisions of the Agreement will supersede the provisions of Section 4.2 of the Lease with respect to the casualty Units which are the subject of the Agreement only.

5. This Memorandum will be filed and recorded with the Surface Transportation Board pursuant to the provisions of 49 U.S.C. Section 11301.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first set forth above.

GATX/NLC RAIL PARTNERS

By: GATX THIRD AIRCRAFT CORPORATION,
its General Partner

By: *John F. Earl*
Title: *SENIOR VICE PRESIDENT*

By: NATIONS BANC LEASING CORPORATION,
its General Partner

By: *R. Wayne Lowery*
Title: *Senior Vice President*
NATIONS BANC LEASING CORPORATION,
formerly
NATIONS BANC LEASING CORPORATION OF
NORTH CAROLINA

By: *M. Randall Ross*
Title: M. RANDALL ROSS
SENIOR VICE PRESIDENT

North
State of Carolina)
)
County of Mecklenburg

On June 4, 1999 before me, Willie H. Robinson, Jr.; Notary Public,
personally appeared R. Wayne Lowery, personally known to me or proved to me on the
basis of satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he executed the same in his/her authorized
capacity, and that by his/her signature on the instrument the person or the entity upon
behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

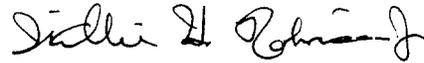


My Commission Expires on 2/16/03

North
State of Carolina)
)
County of Mecklenburg

On June 4, 1999 before me, Willie H. Robinson, Jr., Notary Public, personally appeared M. Randall Ross, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

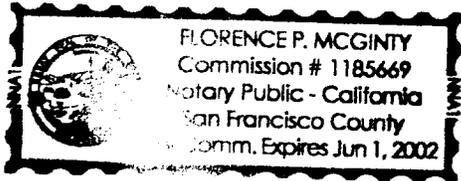


My Commission Expires on 2/16/03

State of California)
)
County of San Francisco)

On June 16, 1999 before me, Florence P. McGinty, Notary Public, personally appeared James F. Earl, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

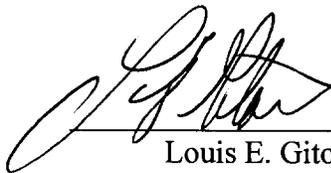
Witness my hand and official seal.



Florence P. McGinty

CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Memorandum of Agreement dated as of April 30, 1999, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read 'L. E. Gitomer', is written over a horizontal line.

Louis E. Gitomer
September 3, 1999